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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

COUNTRY Hungary

DATE DISTR. 8 FEB 54

SUBJECT G Lang Machine Works Company, Ltd, Budapest

NO. OF PAGES 4

PLACE ACQUIRED

25X1

NO. OF ENCLS. 1 (LISTED BELOW)

DATE ACQUIRED

SUPPLEMENT TO REPORT NO.

25X1

THIS IS UNEVALUATED INFORMATION

Location and Ownership

1. The G Lang Machine Works Co, Ltd, is located at Vaczi ut 158 in Budapest on the left bank of the Danube River about one-half mile north of the Vizafogo railroad station.

2. The original factory was constructed at its present location at the turn of this century. It was at that time called the Eisle Machine Factory. Very early the ownership of the factory was transferred to the Gustav Lang family, and its present name was established. In 1936 the Hungarian General Credit Bank Co bought up control of the factory. At the present time it is government owned and the entire production is controlled by the Planning Board and the Ministry of Heavy Industry. The present directors of the factory were formerly workers in the plant.

3. Before and during World War II, the factory collaborated with the Swiss firm Brown, Boveri & Co of Baden using their patents and licenses for the production of steam turbines. On several occasions during this period Swiss instructors visited the Lang factory. This collaboration ended in 1949 when the Hungarian government nationalized the Brown, Boveri Electrical Equipment Factory in Budapest.

Production

4. The Lang factory began producing gasoline engines about 1900, but very early switched to the production of Diesel engines. The annual peacetime production of the Lang factory amounted to US$4 million. Although the productive capacity of the factory is presently fully utilized and cannot be further expanded, production is not efficient because of the shortage of raw materials and the poor quality of domestic steel which is supplied by three firms--Hubert & Sigmund, Friedrich Siemens Foundry, and Resmamurany-Salgotarjan Steelworks Co, Ltd. Research is limited to the testing of domestic steel. Power and water are supplied by the public utilities of Budapest. The factory has

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its own fire station, but it also relies on municipal fire protection. All the shops are single-story obsolete brick structures except the turbine building which is a steel structure. The administrative offices and the bureau of construction are three-story buildings. in 1951 there was some expansion of the production building.) /See Enclosure (A) for size and shape of the individual buildings./

5. About 80% of the present equipment was installed prior to World War II, and the important machines are of Swiss or German construction. Spare parts for these machines are difficult to obtain, and most of them are in poor condition now because of poor maintenance and overwork during World War II. The factory works two 8-hour shifts a day, and it employs 2,000 to 2,500 persons, 35% of whom are skilled workers and 10 to 15% of whom are female. The average age of the employees is between 30 and 40. Clerical and technical personnel number about 250 to 300. There are no foreign personnel employed. Although there is a school for apprentices with about 150 pupils, the factory lacks sufficient skilled workers. Morale of the workers is low because of shortages of food and clothing. The transportation facilities within the factory area are adequate, but the warehouses are comparatively small, being 120 meters by 15 meters.

6. Lang produced one of its first steam turbines in 1912 for the Tatabanya power plant. The largest turbines produced are 25,000 KW for Hungarian power plants. Turbines amount to one-quarter of the total value of the production of the factory. About one-quarter of the employees are engaged in turbine production. Bearings which have to be purchased from Germany and Sweden are in very short supply. Although it is unlikely that this factory could increase its turbine production under present conditions because of the limitations of space, I believe that in five years Lang will devote all its production facilities to turbines.

7. Lang made stationary Diesel engines almost from the beginning. Production varies because all production is made to order. Diesel engines produced by Lang bear the trade name "Godollo" and range in size from 600 to 1000 HP. The factory also makes some Diesel engines for busses which I believe are about 250 HP. The equipment in the Diesel engine shop /#2 on Enclosure (A)/ was at least 10 years old in 1951.

8. Production of boilers began about 1936 from plans supplied by the Borsig Works in Germany. the number of employees engaged in boiler production between 300 and 400. Lang produces the largest boilers made in Hungary with a pressure of 600 psi. The boiler capacity of the factory is 55 tons per hour which amounts to about 30% of the total Hungarian boiler production. Boiler tubes are supplied by Manfred Weiss. The boiler workshop's worst shortage is high pressure drums.

9. The Lang factory produces complete installations for sugar and spirit refineries; tomato and grape concentrators; and wood impregnation plants. The latter, which is a boiler-like apparatus, will probably be discontinued because Slovakia and Rumania will provide Hungary with impregnated wood. In 1951 about one-quarter of the total value of the factory's production was chemical equipment. One-fifth of the employees are engaged in the production of chemical equipment.

10. The factory began the production of trucks during the depression as a fill-in measure when the demand for turbines declined. It is a minor part of the factory's current production. in 1951 80-100 chassis for trucks and busses were produced.

11. The depression inspired Lang to use part of its sugar and spirit refinery building. [See #4 on Enclosure (A)] for the production of printing presses. They will probably not be produced there in the future. In 1950 Lang produced the equipment for the Szeged textile mill. Lang also produces vacuum and water pumps for power plants from Brown, Boveri patents, and air compressors, similar to turbines, for mines and concrete plants. Tractors were never produced at Lang, and [redacted] gasoline engines have not been produced for 50 years. 25X1

12. During World War II Lang produced military trucks in place of civilian trucks, [redacted] not more than 20% of the factory would be converted to war production, because the normal production of the factory is important to other military plants. 25X1 25X1

13. Lang produced some 150 mm ammunition during both World Wars. No ammunition was being produced in 1951 [redacted] 25X1

14. [redacted] no knowledge of production of 76 mm guns but believe that shops #3 and #6 [See Enclosure (A)] could be used for such production. Guns would probably be produced at the expense of Diesel engines. 25X1 25X1

Personnel

15. The following is a listing of some of the personnel of the plant:

a. Leslie Pohlinger, Chief Engineer and steam turbine designer;
b. Desider Kuthy, Deputy Engineer;
c. John Kotanyi, Diesel engine designer;
d. Desider Mihalyfi, Sales Engineer (Deputy to Lang before nationalization);
e. Leslie Tirscher, power station designer;
f. Leslie Lindtner, Chief boiler designer;
g. Paul Mihalyfi, boiler designer (son of Desider Mihalyfi).

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ENCLOSURE (A): Sketch Showing Layout of G Lang Machine Works Co, Ltd, Budapest.

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741.151	37M
741.11	37M
741.18	37M
744.4	37M
741.981	37M

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ENCLOSURE (A)

Sketch Showing Layout of G Lang Machine Works Co, Ltd,
Budapest, V Vaczi ut 158

Scale: 1:2000 (1/8"=21')